

## Message Text

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45

ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

----- 005452

O R 121751Z FEB 74

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 9802

INFO GOV PANCANAL

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 0885

EXDIS

E. O. 11652: GDS

TAGS: PN PFOR PQ

SUBJECT: U.S.-PANAMA TREATY NEGOTIATIONS: DEPUTY  
NEGOTIATION TALKS- REPORT NO. 1.

FOR AMBASSADOR BUNKER FROM BELL

### I. SETTING

KOZAK AND I FLEW TO CONTADORA THE MORNING OF FEBRUARY 8 AS THE GOVERNMENT HAD WISHED, BUT AMBASSADOR GONZALEZ REVILLA DID NOT ARRIVE UNTIL THE NEXT MORNING, IN COMPANY WITH GENERAL TORRIJOS, BOTH IN A POOR STATE. THE SECRETARY'S FEBRUARY 7 VISIT; THE IMPORTANT AND DIFFICULT PRESS CONFERENCE THE PANAMANIAN HAD STAGED THAT EVENING; THE REVELRY OF SENIOR OFFICIALS WHICH FOLLOWED; THE PREPARATIONS FOR THE HONDURAN STATE VISIT COMMENCING FEBRUARY 11-- THESE HAD BEEN TOO MUCH FOR THEM. IT WAS NOT UNTIL THE AFTERNOON OF FEBRUARY 10 THAT GONZALEZ WAS ABLE TO TALK. WE MET FOR THE SECOND ROUND THE MORNING OF FEBRUARY 11, THE THIRD THAT AFTERNOON.

### II. SUBSTANCE OF TALKS

GONZALEZ ACCEPTED THAT WE SHOULD CONFINE THESE TALKS TO AN IDENTIFICATION OF THE MAJOR ISSUES BETWEEN US WHICH ARISE FROM EACH PRINCIPLE. THAT EXERCISE, SEEMINGLY SIMPLE, HAS NOT BEEN SO. CONFIDENTIAL

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FIRST, THERE IS AN OVERLAPPING OF ISSUES BETWEEN PRINCIPLES, AND THAT IS SUBSTANTIVELY AS WELL AS PROCEDURALLY DIFFICULT TO HANDLE. FOR EXAMPLE, ESSENTIAL UNITED STATES RIGHTS ARE DISPERSED OVER PRINCIPLES 3, 4 AND 6. SECOND, THE AMBASSADOR IS STILL

INNOCENT OF TREATY MATTERS, SO THAT TIME HAS HAD TO BE SPENT ON EDUCATION. THIRD, HE HAS AN URGE NOT TO BE CONTENT WITH IDENTIFYING AN ISSUE BUT RATHER TO JUMP AT ONCE INTO TRYING TO RESOLVE IT. HE IS COMING TO APPRECIATE, HOWEVER, THAT IDENTIFYING AN ISSUE IS QUITE HARD ENOUGH. FINALLY, HE HAS CAPTURED THE FACT THAT SOME OF THE ISSUES I HAVE PROPOSED UNDER ONE PRINCIPLE OR ANOTHER DERIVE FROM LONGSTANDING UNITED STATES POSITIONS WHICH PANAMA SEES AS NOT BEING ALTOGETHER CONSISTENT WITH THE PRINCIPLE IN QUESTION. I HAVE SAID THAT THE PRINCIPLES TO WHICH THE SECRETARY AGREED CONSTITUTE THE MECHANISM FOR RESOLVING ISSUES IN A MUTUALLY SATISFACTORY WAY. AS A RESULT WE ARE PROCEEDING SLOWLY BUT THAT IS PROBABLY JUST AS WELL. THIS IS THE FIRST HARD TEST OF PANAMANIAN INTENTIONS AND I SEE NO PROFIT TO US IN SOFTENING IT BY BEING SPEEDY.

THE FOLLOWING RESUME OF OUR SESSIONS THUS FAR IS FOR THE RECORD.

A. FIRST SESSION

GONZALEZ ASKED THAT I TAKE THE INITIATIVE IN PROPOSING ISSUES AND I AGREED TO DO SO BUT EMPHASIZED THAT, IN THESE INFORMAL TALKS AND MORE IMPORTANTLY IN THE FUTURE NEGOTIATIONS, IT IS FAIR TO NEITHER SIDE TO PUT THE BURDEN ENTIRELY ON THE UNITED STATES. IT WOULD BE USEFUL TO TRY TO TURN THE PANAMANIAN AWAY FROM CREATING PROBLEMS OUT OF OUR PROPOSALS AND TOWARD CREATING SOLUTIONS WITH THEIR OWN PROPOSALS.

UNDER PRINCIPLE ONE I SUGGESTED ONLY THAT WE IDENTIFY THE QUESTION OF HOW VARIOUS AGREEMENTS BETWEEN THE UNITED STATES AND PANAMA OTHER THAN THE 1903 TREATY AND ITS TWO AMENDMENTS WOULD BE ADDRESSED IN THE NEW TREATY, NOTING THAT ALTHOUGH THIS WAS NOT A SUBSTANTIVE ISSUE IT WAS A PROCEDURAL ONE WHICH WOULD HAVE TO BE DEALT WITH AT SOME POINT. GONZALEZ FEARED THAT INCLUDING A REFERENCE TO THIS QUESTION WOULD PROVIDE THE OPPORTUNITY WHICH THE FORMER PANAMANIAN NEGOTIATORS, ALL LEGALISTIC AND ALL HARD-LINERS, HAVE BEEN SEEKING TO INSERT THEMSELVES AGAIN INTO

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THE NEGOTIATING PROCESS, AND AT AN EARLY STAGE. I SHARED HIS FEAR, AND WE AGREED THAT BOTH SIDES WOULD NOTE IN THEIR RECORDS THAT THE MATTER HAD BEEN DISCUSSED BUT WOULD NOT BE ADDRESSED FURTHER UNTIL THE BROAD OUTLINES OF THE NEW TREATY WERE AVAILABLE. ONLY THOSE OUTLINES WILL TELL US WHETHER THESE AGREEMENTS MUST BE ABROGATED, MODIFIED, OR ALLOWED TO REMAIN IN FORCE.

UNDER PRINCIPLE TWO WE IDENTIFIED THE TERMINATION DATE OF THE TREATY IN THE EVENT NO EXPANSION IS UNDERTAKEN AS AN ISSUE, AND HAVE TENTATIVELY AGREED ON THE FOLLOWING LANGUAGE:

QUOTE WHAT IS TO BE THE TERMINATION DATE OF THE NEW TREATY AS IT RELATES TO THE EXISTING LOCK CANAL? UNQUOTE

I PROPOSED ALSO THAT WE INCLUDE AS AN ISSUE THE ESTABLISHMENT  
OF A PROCEDURE IN THE NEW TREATY TO PERMIT BOTH COUNTRIES TO  
CONSIDER THE DESIRABILITY OF CONTINUING THE TREATY RELATIONSHIP  
BEYOND THE TERMINATION DATE. GONZALEZ INSTANTLY INTERPRETED  
THIS AS A PERPETUITY-THROUGH-THE-BACK-DOOR MANEUVER BUT I  
CONVINCED HIM THAT WAS NOT SO AND WE HAVE TENTATIVELY AGREED ON  
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ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W  
----- 005772  
O R 121751Z FEB 74  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC IMMEDIATE 9803  
INFO GOV PANCANAL  
USCINCSOUTH

C O N F I D E N T I A L SECTION 2 OF 2 PANAMA 0885

EXDIS

E.O. 11652: GDS  
TAGS: PN PFOR PQ  
SUBJECT: U.S.-PANAMA TREATY NEGOTIATIONS: DEPUTY  
NEGOTIATOR TALKS - REPORT NO. 1

B. SECOND SESSION

THE MATTER OF THE GUARANTEE CAME UP AND I SPENT A GOOD DEAL  
OF TIME TRYING TO CONVINCE THE AMBASSADOR THAT THE UNITED STATES  
IS NOT SURREPTITIOUSLY AIMING AT PERPETUITY AND THE THE DEPUTIES'  
TASK AT THE MOMENT WAS TO IDENTIFY ISSUES RATHER THAN TO  
INTERPRET PRINCIPLES. FINALLY I SUGGESTED THAT WE CREATE A  
CATEGORY OF ISSUES WHICH DO NOT READILY FALL UNDER ANY OF THE  
PRINCIPLES, AND INCLUDE THIS MATTER IN IT. GONZALEZ HAD TROUBLE  
WITH THAT, SAYING THE MINISTER HAD EMPHASIZED TO THE PANAMANIAN  
PUBLIC THAT THE EIGHT PRINCIPLES THEMSELVES WOULD STAND AS THE  
ONLY GOVERNING DOCUMENT FOR THE FUTURE. I MENTIONED THAT WE  
MIGHT WAIT TO SEE IF A VARIETY OF ISSUES AROSE WHICH DID NOT  
READILY FIT UNDER ONE PRINCIPLE OR ANOTHER, AND DECIDE AT THE LAST  
HOW TO HANDLE THEM, AND HE AGREED.

RESPECTING PRINCIPLE THREE WE TALKED FOR SOME HOURS ON THE  
QUESTION OF WHAT SORTS OF "RIGHTS" THE UNITED STATES IS SEEKING  
THROUGHOUT THE PRINCIPLES AGREEMENT, AFTER WHICH GONZALEZ  
"RECEIVED" THE FOLLOWING LANGUAGE I PROPOSED TO IDENTIFY THE ISSUES:

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QUOTE

PRINCIPLE THREE

ISSUES:

1. SHOULD THE NEW TREATY RECOGNIZE TWO TYPES OF RIGHTS -- (1) RIGHTS (ENCOMPASSED BY PRINCIPLE THREE) TO EXERCISE GENERAL JURISDICTION OVER PANAMANIAN TERRITORY, AND (2) ADMINISTRATIVE OR

"USE" RIGHTS EXERCISED WITH RESPECT TO SPECIFIC FUNCTIONS OF CANAL OPERATION, MAINTENANCE, PROTECTION AND DEFENSE?

2. HOW SHOULD THE PERIODS BE DETERMINED DURING WHICH THE UNITED STATES' EXISTING JURISDICTION OVER PANAMANIAN TERRITORY WILL BE REPLACED BY PANAMANIAN JURISDICTION?

3. WHAT SHOULD BE THE "REPLACEMENT ARRANGEMENTS" RELATED TO FOUR TYPES OF JURISDICTION, NAMELY, (1) THE PROSECUTION OF CRIMES, (2) THE EXERCISE OF POLICE FUNCTIONS, (3) THE DISPOSITION

OF CIVIL CASES, AND (4) THE ACTIVITIES OF PRIVATE ORGANIZATIONS AND ENTERPRISES? END QUOTE

ON PRINCIPLE FOUR THE AMBASSADOR ALSO "RECEIVED" THE FOLLOWING PROPOSED LANGUAGE:

QUOTE

PRINCIPLE FOUR

ISSUES:

1. HOW SHALL THOSE PORTIONS OF PANAMANIAN TERRITORY (LANDS, WATERS AND AIRSPACE) WHICH ARE NECESSARY TO THE OPERATION, MAINTENANCE, PROTECTION AND DEFENSE OF THE CANAL AND THE TRANSIT OF SHIPS BE DETERMINED?

2. ON THE ASSUMPTION THAT IN MANY CASES THOSE PORTIONS OF PANAMANIAN TERRITORY WHICH THE UNITED STATES WILL HAVE THE RIGHT TO USE FOR THE OPERATION, MAINTENANCE, PROTECTION AND DEFENSE OF THE CANAL CAN ALSO BE USED FOR OTHER PURPOSES SUCH  
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AS AGRICULTURAL, COMMERCIAL AND URBAN DEVELOPMENT, WHAT ARRANGEMENTS SHALL BE MADE SO THAT THEIR USE FOR SUCH PURPOSES DOES NOT IMPAIR THE USE OF THEM BY THE UNITED STATES FOR THE OPERATION, MAINTENANCE, PROTECTION AND DEFENSE OF THE CANAL AND THE TRANSIT OF SHIPS? UNQUOTE

C. THIRD SESSION

THE EVENING OF FEBRUARY 11 THE FOREIGN MINISTER JOINED GENERAL TORRIJOS ON CONTADORA AND, AFTER CONSULTING WITH THEM, GONZALEZ EMPHASIZED "PANAMA'S SATISFACTION AT THE HONEST WAY THE UNITED STATES IS PRESENTING THE ISSUES...AND SO PROMPTLY AFTER THE PRINCIPLES AGREEMENT." THEN HE SAID HE AND THE MINISTER WOULD AWAIT OUR PROPOSALS FOR PRNCIPLES FIVE THROUGH EIGHT AND FOR A "MISCELLANEOUS CATEGORY OF ISSUES", WHICH I SHALL HAND HIM THE AFTERNOON OF FEBRUARY 13 ON HIS RETURN FROM A VISIT TO PANAMA CITY. HE SAID HE WOULD BE IN A POSITION, HE THOUGHT, TO GIVE ME AN "INITIAL BUT SUBSTANTIVE 'REACTION' BY THE END OF MY STAY HERE TO THE PROPOSED LANGUAGE FOR ALL OF THE ISSUES, A MORE FORMAL REACTION TO COME UPON HIS RETURN TO WASHINGTON FOLLOWING THE MINISTERIAL MEETING IN MEXICO. HE CONCLUDED BY SAYING HE WOULD BE PASSING TO ME BEFORE MY DEPARTURE A " COMPREHENSIVE EXPLANATION OF PANAMA'S BROAD OBJECTIVES IN THE NEGOTIATIONS," PREPARED PERSONALLY BY THE FOREIGN MINISTER. I ASKED IF THIS WERE A SORT OF "WHITE PAPER" AND HE SAID NO, "IT IS ONLY A PERSONAL PRESENTATION." THAT I DOUBT.

### III. COMMENT

I HAVE HESITATED TO REPORT THE FOREGOING BECAUSE, AS YOU WILL HAVE NOTED , IT IS INDICATIVE OF ALMOST NOTHING. ANY INTERESTING DEVELOPMENTS WILL COME AT THE END OF THE TALKS TOWARD THE WEEK'S END, OR LATER IN WASHINGTON -- IF THEN. AS YOU HAD ANTICIPATED, WE ARE NOW BEGINNING THE FAIRLY LONG, FAIRLY HARD, AND CERTAINLY PEDESTRIAN HAUL TOWARD A TREATY.

BUT THE ENVIRONMENT HERE REMAINS FAVORABLE IN THAT TRUST IS GROWING AND SO, I THINK, IS THE WILLINGNESS TO ACCOMMODATE TO FACTS OF GEOPOLITICAL LIFE WHICH PANAMA HAS HERETOFORE WISHED TO IGNORE. A SEPARATE MESSAGE REPORTS A COMMENT BY TORRIJOS REFLECTING THAT WILLINGNESS, AND IT HAS BEEN REITERATED BY AMBASSADOR  
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GONZALEZ WHO YESTERDAY TALKED ABOUT PANAMA "PUTTING ASIDE CHILDISH WAYS."  
SAYRE

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<< END OF DOCUMENT >>

## Message Attributes

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